

THE SCHOOL ADMINISTRATOR
and Uniform Compliance Guidelines
ISSUED BY STATE BOARD OF ACCOUNTS

Volume 152

December 2000

ITEMS TO REMEMBER

DECEMBER

- | | | |
|----------|-----|--|
| December | 1: | Prove the Fund Ledger and Ledger of Receipts for the month of November to the control of all funds and reconcile the control with the depository statement. Prove all receipt accounts for each fund to total receipts for that fund. Prove the Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances to the total disbursements of the control account of the Fund Ledger. Prove all expenditure accounts with each program to the total disbursements of that program. |
| December | 20: | Last day to report and make payment of state and county income tax withheld during November to the Department of Revenue. (Please review Volume 140, Page 7, December 1997.) |
| December | 20: | Payment for school aid bonds and coupons due in January must be made to civil townships by school corporations reorganized according to the provision of Chapter 202, Acts of 1959 if the reorganization plan provides for such payments or if the board of school trustees by resolution adopted has provided for such payments. (IC 20-4-1-35) |
| December | 25: | Merry Christmas - Legal Holiday (IC 1-1-9-1) |

JANUARY

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|---------|-------|--|
| January | 1: | New Year's Day - Legal Holiday (IC 1-1-9-1) |
| January | 2: | Open a Ledger of Appropriations, Allotments, Encumbrances, Disbursements, and Balances by recording the appropriations by programs approved by the board of school trustees in the Resolution of Appropriations for the 2001 calendar year unless such appropriations must be reduced pursuant to action taken by the County Board of Tax Adjustment (if applicable) or by the State Board of Tax Commissioners. Record in the expenditure accounts of each program the allotments made by the board of school trustees. Also add to the 2001 year's appropriations by programs and to the expenditure accounts by allotments, any encumbered appropriations and allotments of the 2000 calendar year to be carried forward. |
| January | 2-31: | Annual meeting of the school board to organize as board of finance by electing one member as president and one member as secretary for the year. (After the first Monday and on or before the last day of January.) (IC 5-13-7-6) |
| January | 15: | Martin Luther King, Jr.'s Birthday - Legal Holiday (IC 1-1-9-2) |

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JANUARY
(Continued)

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| January | 20: | Last day to report and make payment of state and county income tax withheld during December to the Department of Revenue. (Please review Volume 140, Page 7, December 1997.) |
| January | 31: | Last day to file fourth quarter report with the Internal Revenue Service and complete payment of federal tax withheld. Each employee shall be furnished Form W-2. |
| January | 31: | Last day to file form 100-R, Report of Names, Addresses, Duties and Compensation of Officers and Employees, with the State Board of Accounts. |

FEBRUARY

- | | | |
|----------|-----|--|
| February | 1: | Prove all ledgers for the month ending January 31 as outlined for the month of December. |
| February | 12: | Legal Holiday - Lincoln's Birthday. (IC 1-1-9-1) |
| February | 19: | Legal Holiday -Washington's Birthday. (IC 1-1-9-1) |
| February | 20: | Last day to report and make payment of state and county income tax withheld during January to the Department of Revenue. (Please review Volume 140, Page 7, December 1997.) |
| February | 28: | Last day to file withholding statements together with Yearly Reconciliation of Employer's Quarterly Tax Returns with Internal Revenue and Indiana Department of Revenue, respectively. |

SOCIAL SECURITY WITHHOLDINGS - 2001

We understand that for 2001 the maximum amount of taxable and creditable annual earnings subject to Social Security will increase to \$80,400 up from \$76,200 in 2000. No maximum base for Medicare will exist. Rates will remain at the 2000 level at a combined rate of 7.65 percent (both employer and employee for a total of 15.3 percent) representing a 6.20 percent rate for Social Security and 1.45 percent for Medicare.

CONTRACT BETWEEN GOVERNMENTAL UNITS

The Interlocal Cooperation Act, IC 36-1-7, provides authority for local governmental units to negotiate written contractual agreements to cooperatively or jointly exercise powers that **each is authorized to perform separately.**

Whenever a contract provides for the purchase, sale or exchange of services, supplies or equipment between or among Indiana governmental entities only, no notice by publication or posting is required. However, whenever a contract provides for one Indiana governmental entity to make a purchase for another, compliance by the one with the applicable statutes governing public bids constitutes compliance by the other.

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JOINT SERVICES AND SUPPLY

IC 20-5-11-2 provides that "Any two (2) or more school corporations acting through their respective governing bodies are authorized to engage in joint programs under a written agreement executed by all participating school corporations. Such agreement shall designate the type of purchases, leases or investments to be made, prescribe the manner of approving persons employed under the joint program, designate the type of construction, remodeling or additions to be made on the school buildings, and shall also provide for the organization, administration, support, funding and termination of such program."

IC 20-5-11-3 states "Such agreement shall designate one (1) of the participating school corporations to administer and supervise the joint program, including but not limited to receiving and disbursing funds, executing documents, and maintaining records, in accordance with the provision of this chapter and the agreement between the participating school corporations."

IC 20-1-6-3 empowers every school corporation acting individually or in a joint school services program with other corporations to establish and maintain instructional facilities for the instruction of children with disabilities. A school corporation may provide transfer and transportation of children with disabilities residing in the geographical limits of the corporation to facilities for the instruction of children with disabilities which are not maintained by the school corporation. Any school corporation acting individually or in a joint school services program with other corporations may convert, build or lease the necessary school buildings or use existing buildings, for the purpose of establishing and maintaining classes of one or more pupils who are residents of the State of Indiana and come under the definition of children with disabilities, as defined in IC 20-1-6-1. Any school corporation may provide for instruction of any child with disabilities who is not able to attend the special class or school for children with disabilities. Special personnel may be employed in connection with such classes of schools and any expenditures therefor shall be lawful expenditures for maintaining the education of children with disabilities. All nurses, therapists, doctors, psychologists and related specialists employed under this chapter shall be registered and authorized to practice under the laws of Indiana and shall be subject to such additional examination as the Division of Special Education may require. Any school corporation acting individually or in a joint school services program with other corporations may purchase special equipment needed in a class or school for children with disabilities and any expenditures therefor shall be lawful expenditures for maintaining the education of children with disabilities. All such children shall receive credit for school work accomplished on the same basis as other children who do similar work. The school corporation constructing or operating any such school shall pay the operating expense thereof for each pupil attending and shall be entitled to receive state aid for these pupils under the applicable laws. Other school corporations sending children with disabilities as students of such school shall pay tuition in accordance with the provisions of IC 20-1-6-18.1 and IC 20-1-6-18.2.

If the State receives funds from the federal government to aid in the operation of any school for children with disabilities, the Division of Special Education shall distribute among these schools the grant of federal funds which are appropriated and shall be expended for the purposes for which the funds were granted. (IC 20-1-6-3)

Except as provided by IC 20-1-6-14.1, as related to preschool children with disabilities, any school or classes for children with disabilities shall be operated by the school corporation establishing the same under the laws of Indiana applying to the operation of public schools and under the supervision of the Division of Special Education. Teachers in classes and schools for children with disabilities shall be appointed as other public school teachers. They shall possess the usual qualifications required of teachers in the public schools and in addition thereto such special training as the State Board of Education may require as adopted by rules under IC 4-22-2.

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JOINT SERVICES AND SUPPLY
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Qualifications of para-professional personnel to be employed under IC 20-1-6 law shall be subject to determination of the Department of Education. Before any type of special class, organized or to be organized under the provisions of IC 20-1-6, is established in any school corporation or through any contractual agreement, such type of special class shall be submitted to and approved by the State Board of Education. The State Board of Education shall adopt and promulgate such rules and regulations as may be deemed necessary for the proper administration of IC 20-1-6.

IC 20-1-6-20 further defines and describes provisions for the joint . . . establishment and operation of special schools for children with disabilities. IC 20-1-6-20 repeats and emphasizes several of the provisions previously mentioned, especially that during the term of a joint agreement modification may be made but only by unanimous consent of all the participating school corporations. The agreement may include provision to acquire sites, buildings and equipment of the program by purchase or lease and may provide for operation of the program by a board consisting of representative members from the governing board of each participating school corporation. The agreement may also include an agreement to repair, equip and maintain school buildings and equipment and an agreement that participating school corporations may use funds from their respective capital projects fund to pay for those costs or for any other purposes authorized under IC 21-2-15. The amount of allowable transportation for children with disabilities is limited to some degree by IC 20-1-6-18.2.

A special education cooperative may either be attached to a participating school corporation which shall have responsibility for administrative and financial controls, or a special education cooperative may establish a separate treasury with separate funds. When a special education cooperative is not attached to a participating school corporation, the cooperative shall comply with the State Board of Accounts' approved forms and rules for fiscal accountability and be subject to audit by the State Board of Accounts. A special education cooperative may be operated and managed and the corresponding budget determined by a board of managers consisting of the president (or trustee in the case of a school township) of the governing body of each participating school corporation or any fellow member of such governing body whom such president or trustee may designate. Such designated member may be changed by the president or trustee at any time. Meetings of the board of managers shall be held in accordance with the provisions of IC 20-5-3-2. (IC 20-1-6-20)

FINAL BUDGET ACTION

If any reduction was made by the County Tax Adjustment Board or the State Board of Tax Commissioners in your budget and tax levy for the 2001 calendar year, the governing board of the school corporation shall comply with that section of the budget law found in IC 6-1.1-18-4 which provides that except as otherwise provided in IC 6-1.1-18, the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under IC 6-1.1.

Compliance may necessitate the reduction and revision of some program appropriations established at the meeting to adopt the budget. After the reductions have been established by the governing board for specific programs and the necessary allotments by expenditure account within each program, such reductions must be applied when the appropriations and allotments are recorded in the Ledger of Appropriations, Allotments, Encumbrances, Disbursements and Balances for calendar year 2001 which must be done to comply with the statute referenced above.

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AUDITS

We have been asked by school corporation officials to provide a list of items which officials can assemble which would enhance and expedite the audit process.

Accordingly, we would suggest the following be given attention by school officials either prior to the start of the audit or upon the commencement of the entrance conference with Field Examiners of the State Board of Accounts.

1. Minutes of the meetings of the Board of School Trustees, up to date and available for review.
2. Financial records and related data are properly prepared, including reconcilements of bank statements, proper posting of ledgers, check registers, etc. Additionally, this would include the proper maintenance of the extra-curricular accounting records and most importantly the SA-5 reports would be properly prepared and timely filed with the Board of School Trustees.
3. Listing of all persons who receive or disburse funds (corporation treasurer, deputy treasurers and extra-curricular treasurers) similar to the listing of treasurers as found in audit reports showing the term of office as shown on the sample on page 7.
4. A listing of all federal financial assistance grants received by the school corporation. Included would be the Catalog of Federal Domestic Assistance Numbers and Public Law numbers if applicable (completion of a schedule as shown on page 8 would be most helpful).
5. The proper filing and maintenance of any federal grant information including, but not limited to, grant applications and approvals, Federal financial reports and any onsite reviews such as Chapter 1 and CRE reports. Resolution of any exceptions set out in these reports prior to the start of the audit should be documented and provided.
6. Copies of bonds for all treasurers should be properly filed.
7. Job description and flow charts, if maintained at your corporation, are available for review.
8. Contemplation of information that may be necessary for the client representation and attorney letters as provided by previous audits.
9. The Form Nine is a school corporation's representation of financial operation. This report is used by various groups including the Department of Education, Indiana General Assembly, and the State Board of Accounts. Proper preparation and completion as well as timely filing of the Department of Education Form Nine Report can be one of the most important aspects in expediting (or delaying) the audit process. Other users of the Form Nine information rely on accurate and timely information as well.
10. The gathering of various records, claims, receipts, etc., that might be requested during the audit can be, at the discretion of the school corporation, provided to Field Examiners through a particular contact person or persons (employee of school corporation) designated by school corporation officials. Field examiners can contact the person designated to minimize disruption to the business operation of the school corporation. Naturally, instances will exist where Field Examiners will need to talk directly to various individuals; i.e., treasurer, preparer of records, etc., as might be necessary during the course of an audit.

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11. Entrance conferences will also result in setting arrangements for a place to work, hours worked, potential access to a phone for business calls, and names of field staff assigned. Examiners will explain the audit process, the billing process and assurances that time spent on other audit procedures or audits away from the school corporation will not be included in the billing process to the school corporation.

The aforementioned is intended to provide some insight into the auditing process. We are hopeful that this listing can be expanded to include other areas which are of mutual benefit to both school officials and the State Board of Accounts in making the audit process as workable as possible. We do appreciate the suggestions and offers of cooperation that have been extended to the State board of Accounts in this regards.

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EXTRA-CURRICULAR ACCOUNT OFFICIAL(S) AND BALANCES

<u>Extra-Curricular Account and Treasurers</u>	<u>School Years</u>	<u>Year End Date</u>	<u>Cash and Investment Balance</u>
_____(School)			
_____(Treasurer)	20__ - 20__		
_____(Treasurer)	20__ - 20__	_____	\$ _____

<u>Extra-Curricular Account and Treasurers</u>	<u>School Years</u>	<u>Year End Date</u>	<u>Cash and Investment Balance</u>
_____(School)			
_____(Treasurer)	20__ - 20__		
_____(Treasurer)	20__ - 20__	_____	\$ _____

<u>Extra-Curricular Account and Treasurers</u>	<u>School Years</u>	<u>Year End Date</u>	<u>Cash and Investment Balance</u>
_____(School)			
_____(Treasurer)	20__ - 20__		
_____(Treasurer)	20__ - 20__	_____	\$ _____

<u>Extra-Curricular Account and Treasurers</u>	<u>School Years</u>	<u>Year End Date</u>	<u>Cash and Investment Balance</u>
_____(School)			
_____(Treasurer)	20__ - 20__		
_____(Treasurer)	20__ - 20__	_____	\$ _____

<u>Extra-Curricular Account and Treasurers</u>	<u>School Years</u>	<u>Year End Date</u>	<u>Cash and Investment Balance</u>
_____(School)			
_____(Treasurer)	20__ - 20__		
_____(Treasurer)	20__ - 20__	_____	\$ _____

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Federal Grant Information

	_____	_____	_____	_____	_____
	(Program or Project Title)	(Program or Project Title)	(Program or Project Title)	(Program or Project Title)	(Program or Project Title)
1. Fund Number	_____	_____	_____	_____	_____
2. Direct or Pass-Through DOE or Other	_____	_____	_____	_____	_____
3. Catalog of Fed. Domestic Assistance No. (CFDA No.)	_____	_____	_____	_____	_____
4. Grant Number	_____	_____	_____	_____	_____
5. Grant Amount	_____	_____	_____	_____	_____
6. Grant Period	_____	_____	_____	_____	_____
7. Federal Grant Agency	_____	_____	_____	_____	_____
8. Contact Person	_____	_____	_____	_____	_____
9. Amount Received 7-1-20__ to 6-30-20__ (1st Year to be Audited)	_____	_____	_____	_____	_____
Amount Expended 7-1-20__ to 6-30-20__ (1st Year to be Audited)	_____	_____	_____	_____	_____
Amount Received 7-1-20__ to 6-30-20__ (2nd Year to be Audited)	_____	_____	_____	_____	_____
Amount Expended 7-1-20__ to 6-30-20__ (2nd Year to be Audited)	_____	_____	_____	_____	_____